ACTIVE DESKTOP MARKETING, DISTRIBUTION & PROMOTION AGREEMENT

This Active Desktop Marketing, Distribution & Promotion Agreement (the "Agreement") is entered into and effective as of September 10, 1997 (the "Effective Date") by and between **MICROSOFT CORPORATION**, a Washington corporation located at One Microsoft Way, Redmond, WA 98052 ("Microsoft") and **AMERICA ONLINE, INC.**, a Delaware corporation located at 22000 AOL Way, Dulles, Virginia 20166 ("AOL").

RECITALS

Microsoft is the owner and/or authorized licensor of the Windows 95 operating system, as well as of certain Internet-related technology, including "browsing" software known as "Internet Explorer" for the Windows 95, Windows NT, Windows 3.xx, Apple Macintosh and Unix operating systems

Forthcoming versions of Internet Explorer are expected to have a feature known as "Active Desktop," which will enable users to choose pre-selected, and/or create their own, categories of "streaming" content which is automatically and periodically downloaded or "pushed" to the user via the World Wide Web (the "Web").

AOL provides information products and services transmitted through wide area electronic delivery media, including online information and Internet services and products. Without limiting the foregoing, AOL operates an online content business whereby it owns or licenses content which can be made available to users of Active Desktop, along with associated advertising, if any

Microsoft and AOL have entered into the "OLS Agreement," as defined below.

Microsoft and AOL wish to enter into a strategic marketing, distribution and promotion agreement whereby the parties will promote and assist each other's efforts in developing the "push" content business on Microsoft platform technology.

The parties hereby agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 "Active Desktop" means the Channel Client feature of Microsoft's Internet Explorer which provides, among other things, facilities to support, all via the Web, "scheduled pull," "push" or "broadcasts" of Channel Content, and Content Rotation, by whatever name this feature is called.

1.2 "Active Platform Support" means use of Active Platform technology as set forth in Exhibit A.

1.3 "Active Platform" means Microsoft's line of client, server and development tools and technologies based on Internet standards, including: Internet Explorer, Dynamic HTML, ActiveX, ActiveX Controls, Visual Basic, Jscript, Active Desktop, Internet Information Server and Active Server Pages.

1.4 "Affiliate" means, with respect to any legally recognizable entity, any other such entity directly or indirectly Controlling, Controlled by, or under common Control with such entity. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a legally recognizable entity, whether through the ownership of voting shares, by contract, or otherwise. Where such entity is a partnership, limited liability company, corporation, or similar entity and has partners, members, or shareholders with equal ownership interests or equal control interests, by contract or otherwise, then each such partner, member, or

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shareholder will be deemed to possess, directly or indirectly, the power to direct or cause the direction of the management and policies of that entity.

1.5 "AOL Content" shall mean Content created and/or distributed by or for AOL.

1.6 "AOL Web Sites" means: (i) www.aol.com; (ii) any other Web site or page owned or controlled by AOL which is branded with "AOL" or "America Online"; and (iii) any successor or derivative sites to the foregoing. "AOL Web Sites" does not include (a) Web sites which are accessible only from within AOL's subscription service by an AOL service subscriber or (b) Third Party Web Sites accessible by links from an AOL Web Site which are not branded with "AOL" or "America Online" and which are not owned or controlled by AOL or its Affiliates.

1.7 "Category Channel" means a "second tier" Channel for which an identifying Channel Icon appears in a sub-directory when an End User points to or clicks on a related Category in the top Channel directory visible to End Users upon first starting up or using Active Desktop. For example, "Business" may be a Category in the top Channel directory (*i e* , on the same level as the Channel for a First Tier ICP), and the Channels available by clicking on or accessing the "Business" Category are Category Channels

1.8 "Category" means a class of Content which concerns similar subject matter, such as Content which focuses primarily on sports, business, or children's entertainment.

1 9 "Channel Client" means software that enables an End User to select and receive Channels in one or more display and/or audio elements and review such Channels off-line, including software that accomplishes the foregoing and is: (i) an interactive application (such as a Web browser) that displays and/or plays Content within an application (or similar) window or directly upon a operating system desktop, and/or (ii) an animated and network-interactive screen saver application.

1.10 "Channel Guide Server" means a remote server accessible by the Channel Guide which displays Channels. The Channel Guide Server determines the display of the Channels in the Channel Guide.

1.11 "Channel Guide" means a channel (branded icon and URL) promoted in and viewable by Internet Explorer and/or the Active Desktop which accesses the Channel Guide Server.

1.12 "Channel Icon" means an icon or button which has an identifying logo and/or trademark and an associated pointer/URL contained in the Active Desktop user interface such that an End User, upon first starting up or using Active Desktop, will (if already connected to the Web) be directly linked via a single click to an associated Channel. AOL will determine the look of the AOL Channel Icon.

1.13 "Channel" means an aggregation of one or more Categories and advertising (if any) that is displayed or played, or available to be selected by an End User for display and/or play, by means of a Channel Client, and which may be further divided into sub-Channels.

1.14 "Confidential Information" means: (i) any trade secrets relating to either party's product or service plans, designs, costs, prices and names, customer lists, finances, marketing plans, business opportunities, personnel, research, development or know-how, and (ii) the specific terms and conditions of this Agreement. "Confidential Information" shall not include information that. (i) is or becomes generally known or available, by publication, commercial use or otherwise, through no fault of the receiving party; (ii) is known by the receiving party at the time of disclosure and is not subject to restriction; (iii) is independently developed by the receiving party ; (iv) is lawfully obtained from a third party that rightfully makes such disclosure without imposing obligations of confidentiality; or (v) is made generally available by the disclosing party without restriction on disclosure

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1.15 "Content Rotation" means the presentation, through a Channel Client, of Content from one or more different Channels within sequential time segments managed by such Channel Client during which Channel Content and associated advertising (if any) are displayed and/or played on the End User's computer system

1.16 "Content" means sound, data, text, audio, video, graphics, photographs, artwork, functionality, transaction capability and other technology and materials in any form as may now exist or hereafter become available, as provided for use on Channels or Web sites.

1.17 "End User" means a Third Party, including corporate and similar direct customers, which views and/or plays Content by means of a Channel Client for such Third Party's use and not for further sublicense or distribution.

1.18 "First Tier ICP" means an ICP whose Channel Icon is given pre-configured, "first tier" status on Active Desktop as further described in Section 3 1(a).

1.19 "ICP" or an "Independent Content Provider" means an entity, including an IAP, which develops its own Content and/or which aggregates and distributes Third Party Content for inclusion in a Channel

1 20 "Intellectual Property" means all proprietary rights owned or controlled throughout the world, including, but not limited to, copyrights, moral rights, trade secrets, trademarks, and patents.

1 21 "Internet Access Provider" or "IAP" means an entity which markets Internet access services to End Users.

1 22 "Internet Explorer Administration Kit" or "IEAK" means Microsoft's kit for obtaining a license to modify and distribute Internet Explorer, including successor or replacement programs accomplishing the same thing

1.23 "Internet Explorer" or "IE" means Microsoft's English language versions Web browsers and related Internet client technology for all Platforms, versions 4 x and later released during the Term.

1.24 "Licensed Materials" means AOL-provided introductory Content, associated ActiveX controls, and any other software code required to use such Content in Active Desktop, as further described in Section 2.5, and provided that Licensed Materials shall not include any Third Party advertisements or promotions and shall not exceed one (1) megabyte in size. The foregoing limitation on Third Party advertisements and promotions applies only to the pre-cached, Licensed Materials distributed by Microsoft under this Agreement as part of Internet Explorer, and does not apply to AOL Content delivered directly to an End User by AOL via the Active Desktop.

1 25 "Licensee(s)" means any Third Party licensee of a party's technology, including, but not limited to OEM, retail and other distributors, software integrators, and End Users of a party's products and/or services.

1.26 "MSN" means the Microsoft Network and any successor or replacement service operated by Microsoft or its Affiliates.

1 27 "OLS Agreement" means the License and Marketing Agreement entered into between the parties as of March 12, 1996, as amended by the parties via Amendment #1 entered into as of November 1, 1996.

1 28 "Other Browsers" means Third Party software and related technology for any Platform that (i) is designed to view, render, browse, hear or otherwise interact with Content on the Internet, the Web and/or other public networks now existing or hereafter created (a "browser"), and (ii) ranks in the

top two (exclusive of Internet Explorer) most widely used browsers, as such use is measured by Browserwatch (http://browserwatch iworld com/stats/stats.html) as of the Effective Date.

1.29 "Platforms" means Win32. Win16 and/or Macintosh will be added to the definition of "Platforms" if, in Microsoft's sole discretion, Microsoft releases Channels on Win16 and/or Macintosh, and further if AOL has not entered into any agreement with respect to such platform(s) which would be otherwise prohibited by this Agreement, including but not limited to Sections 2.3 and 2.4, if Win16 and/or Macintosh would have been part of the definition of "Platforms" as of the Effective Date.

1.30 "Pre-Configured Channel" means a Channel which has an identifying Channel Icon contained in the Active Desktop user interface such that the Pre-Configured Channel is available to the End User upon first use of the Active Desktop and until the End User deletes or changes such configuration

1 31 "Pre-Configured ICP" means an ICP whose Channel is included as a Pre-Configured Channel in Active Desktop

1.32 "Standard IE Configurations" means (i) standalone retail (*e.g*, the Internet Explorer Starter Kit) and Web distributions of Internet Explorer and (ii) OEM and other distributions of Internet Explorer which are part of Microsoft products and applications (e g, as part of Windows 95). "Standalone IE Configurations" does not mean separate licenses of Internet Explorer technology or distributions of Internet Explorer or versions of Internet Explorer by MSN, WebTV or MSNBC, or as part of Windows CE or packaged products from Microsoft's Interactive Media Group.

1.33 "Term" means the term of this Agreement, which shall be the period commencing upon the Effective Date and ending one (1) year from the first commercial release of a final version of Internet Explorer containing Active Desktop, unless extended or earlier terminated in accordance with Section 12.

1.34 "Territory" means the United States.

1.35 "Third Party" means a person or entity which is not an Affiliate of either party to this Agreement

1 36 "Win32" means, collectively, the Windows 95 and Windows NT Platforms and their direct successors which are released during the Term.

2. AOL Obligations

2.1 Adoption of Active Platform During the Term, AOL shall adopt, market, and promote Active Platform as follows:

(a) *AOL Channel* AOL will create a Channel, subject to the requirements of Exhibit A, which will deliver free AOL Content in association with certain AOL Web Sites and which is relevant to Internet End Users, as further described in Exhibit A. Such AOL Content may include advertising, links to AOL Web Sites and/or links to other Web sites and shall be determined by AOL in its sole discretion. AOL may deliver or offer, via the AOL Channel, additional premium AOL Content that is not free

(b) *AOL Content* For all AOL Content and advertising delivered via the Active Desktop, AOL shall, at its own expense and continuously during the Term, develop (and/or license from third parties) Content which is customized such that it complies with the Active Platform Support set forth in Exhibit A

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(c) *Active Platform Support.* AOL shall further provide Active Platform Support as specified in Exhibit A for Channels and certain AOL Web Sites continuously during the Term. AOL shall not, however, be required to provide Active Platform Support for AOL Web Sites beyond that which is specified in Exhibit A or for any advertising, promotions or sponsorship features not available for viewing and/or playing in a Channel

(d) *Driveway.* AOL shall use reasonable commercial efforts to modify "Driveway" (AOL's Channel Client software developed by AOL, if and when released) on the Platforms in a commercially reasonable time period, to support the W3C proposed Channel Definition Format ("CDF") for downloaded or "pushed" Content specification and retrieval. Ultimately, AOL shall only be obligated to support CDF as finally approved by W3C.

2.2 Unique Content/Promotion During the Term, AOL shall publicly endorse and promote Active Desktop and Active Platform by: (i) publicly stating in a mutually approved joint press release that certain AOL Web Sites are designed to work with Active Desktop, and (ii) including a link to a Microsoft IE download site (provided such site does not promote a service competitive with AOL, including MSN) in each AOL Web Site specified in Exhibit A. AOL shall also complete the obligations set forth in Exhibit B

2.3 Obligations Concerning Promotion of IE. At all times during the Term, AOL and its Affiliates will, within the Territory and for the Platforms, promote IE (and no Other Browser) as the browser software of choice for the AOL Web Sites and AOL Content. Such promotion will include.

(a) *Promotion.* AOL shall, exclusive of any Other Browser, promote IE within AOL Web Sites and shall, subject to the terms set forth in Section 7, display an IE logo such as "Best viewed by IE" on any AOL Content (branded with "AOL" or "America Online," other than Content offered exclusively within the AOL subscription service or Driveway) on each AOL Web Site in the manner specified on Exhibit A, and on any other pages where similar promotions are placed for Channel Clients. The sole exceptions to the foregoing exclusivity obligation shall be that AOL shall not be restricted in the AOL Web Sites with respect to: (i) paid advertising (excluding promotions or sponsorships) from companies that produce Other Browsers, (ii) paid advertising (including promotions or sponsorships) by Apple Computer, Inc.; (iii) news and editorial Content concerning such Other Browsers, provided that it is produced independently from companies which produce Other Browsers and their Affiliates; and (iv) general technical support features (such as help or FAQ files) for Other Browsers.

(b) *Upgrade Programs.* AOL shall work with Microsoft to further define, and then AOL shall implement, the IE3 and IE4 upgrade programs set forth in Exhibit D.

(c) *Cross Promotion.* AOL will not distribute any Content on the AOL Channel on Active Desktop where if such Content is accessed as a substantive part (*e.g.*, not just an editorial link unless such link is regularly on the AOL Channel) of the AOL Channel experience, a user is taken directly by one link to a Third Party Web site which promotes Other Browsers

For the purposes of this Section 2.3 and Section 2.4, AOL Content shall not include (i) transactional capabilities, (ii) "instant messaging" or technical capabilities that are not a core functionality of IE4, or (iii) Content not branded with the "AOL" or "America Online" brands. By way of example and except as provided in Section 2.3(c), AOL may promote its Affiliate's "Thrive" Content in association with Other Browsers

Notwithstanding anything to the contrary contained herein, the promotional obligations of AOL in this Section 2.3 shall not be extended beyond December 31, 1998, or, if this Agreement is extended, June 30, 1999.

2 4 Content and Logo Restrictions AOL agrees that, during the Term, neither it nor its Affiliates will

enter into or announce any "Content Promotion Agreements" or "Pass Through Agreements." A "Content Promotion Agreement" is an agreement with a company (or its Affiliates) which produces Other Browsers which agreement is to exchange money or other material and valuable consideration (including, but not limited to, the promotion, marketing or distribution of Other Browsers) in return or consideration for distribution, transmission, marketing or promotion in the Territory of AOL Content located on AOL Web Sites or branded with "AOL" or "American Online" during the Term on the Platforms. A "Pass-Through Agreement" is an agreement by AOL (or any entity in privity of contract with AOL) with any Third Party in which: (i) the economic and other benefits are passed through materially unchanged to a company (or its Affiliates) which produces Other Browsers; (ii) the third party performs no substantive function with respect to the agreement except to be a pass-through entity; and (iii) the purpose of the agreement is to exchange money or other material and valuable consideration (including, but not limited to, the promotion, marketing or distribution of Other Browsers) in return or consideration for distribution, transmission, marketing or promotion in the Territory of AOL Content associated with AOL Web Sites or "AOL" or "American Online" brands during the Term on the Platforms

Nothing in this paragraph shall restrict AOL from (a) entering into agreements with third parties which have agreements and/or working relationships with companies which produce Other Browsers, provided such agreements are not Pass-Through Agreements, (b) entering into agreements to license or use software or technology from companies which produce Other Browsers (or to license software or technology to such companies), including agreements which include material and valuable consideration (provided such agreement(s) are not consideration for a Content Promotion Agreement), or (c) entering into agreements to place customary banner advertisements with companies which product Other Browsers (provided such agreement(s) are not consideration for a Content Promotion Agreement). Further, AOL shall not be restricted from continuing existing or entering into new distribution relationships, at the same level of promotion as exists as of the Effective Date, regarding for AOL NetFind, provided that AOL shall not enter into any Content Promotion Agreements to make AOL NetFind a "premier" (among the most-promoted) search service of companies producing Other Browsers.

Notwithstanding anything to the contrary contained herein, the promotional obligations of AOL in this Section 2.4 shall not be extended beyond December 31, 1998, or, if this Agreement is extended, June 30, 1999.

2 5 Licensed Materials Microsoft acknowledges that (i) AOL delivered the final version of the Licensed Materials to Microsoft in electronic and (for logos and the like) hard copy form, along with appropriate documentation to verify the accuracy of such materials, on the required date of September 9, 1997, and (ii) Microsoft has reviewed and approved for inclusion in Active Desktop such Licensed Materials. The Licensed Materials may include an ActiveX control that provides linkage to the AOL application setup program in the Windows Online Services folder or to such other location as the parties mutually determine. Microsoft shall not take action to disable the ActiveX control

2.6 Creation and Maintenance of AOL Channel. AOL shall maintain the AOL Channel(s) which will deliver free Content which is substantively implemented and updated pursuant to the terms and at the frequency set forth in Exhibit A AOL acknowledges that its performance under this Section 2.6 is critical to Microsoft. If AOL materially fails to perform under this Section 2 6, Microsoft may enforce the remedies set forth in Section 12 2.

2.7 Licenses AOL will license the Licensed Materials to Microsoft as set forth in Section 5

2.8 Equal Treatment. Microsoft agrees that, during the Term and with respect to Sections 2 1, 2.2, 2.3, 2.4, 2.5, 2 6, 3 1(e) and 3 1(f), it has and will continue to apply substantially, and in all material respects, the same or no less favorable requirements to AOL than those applied to all Third Party Pre-Configured ICPs in the Territory.

Microsoft's responsibility under this Section is to not enter into any agreements which are not consistent with this Section or, alternatively, to give commensurate rights to AOL. Microsoft shall not be in violation of this Section because an ICP takes action inconsistent with its rights under any agreement, so long as Microsoft uses reasonable efforts to enforce such agreement(s). In the event of a breach of this Section by Microsoft, Microsoft may remedy the breach by altering AOL's rights commensurate with, and under the same terms extended to, the Third Party.

2.9 AOL Content. AOL Content delivered via the Active Desktop shall, in the aggregate, contain no more than fifteen percent (15%) on average (measured as a percentage of screen size) of advertisements or promotions of (i) premium or subscription AOL Content, or (ii) any AOL Services (as defined in the OLS Agreement). AOL's Licensed Materials (a) shall meet Exhibit A Channel Requirements items 7, 8, 9, and 10, and (b) in the aggregate shall contain no more than fifteen percent (15%, measured as a percentage of screen size) of advertisements or promotions of (x) premium or subscription AOL Content, or (y) any AOL Services (as defined in the OLS Agreement)

3. MICROSOFT OBLIGATIONS

3.1 Inclusion as Pre-Configured ICP. During the Term, Microsoft shall include a AOL Channel Icon in a First Tier ICP position within North American English versions of Active Desktop for Platforms distributed as part of Standalone IE Configurations within the Territory, as follows:

(a) Microsoft shall list the AOL Channel Icon in a pre-configured First Tier ICP position: on the same level as Categories and other First Tier ICPs; and "above the fold" (*i.e.*, viewable without scrolling) Microsoft will display Active Desktop with the AOL Channel Icon so that it is visible as a default setting on Active Desktop to the End User at least upon system setup and/or using Active Desktop for the first time if the End User has installed Internet Explorer with shell integration and is using a personal computer with a then-current standard personal computer hardware configuration, and thereafter, unless an End User has configured Active Desktop otherwise, such that when an End User subsequently views or runs Active Desktop, the AOL Channel Icon is clearly displayed to the End User as a default setting of Active Desktop. AOL understands and acknowledges that End Users will be able to reconfigure the Channel Icons of all First Tier ICPs, including those of Microsoft and Microsoft Affiliate Channels, such that the AOL Channel Icon may be removed or not visible by default.

(b) Microsoft shall include the Licensed Materials in Microsoft's retail CD-ROM and OEM distributions of Active Desktop for Platforms distributed within the Territory If, as part of a subsequent release of Active Desktop, Microsoft makes or allows any Third Party to make a substantive change to pre-cached Content distributed with Active Desktop, Microsoft shall provide AOL an opportunity to update its Licensed Materials.

(c) Microsoft does not intend to include more than thirty-five (35) Pre-Configured ICPs in United States versions of Active Desktop during the Term

(d) Subject to its obligations hereunder, including under Section 3 1(a), Microsoft shall in its sole discretion determine the order of placement on the Active Desktop of the Channel Icons for Channels, Categories and Category Channels The size of the AOL Channel Icon and the fundamental capabilities of Active Desktop offered by Microsoft with respect to the AOL Channel shall be no less favorable than that offered to any other First Tier ICP or Microsoft or its Affiliates. Further, it shall be no easier to reconfigure the AOL Channel Icon than the Channel Icon of any other First Tier ICP or Microsoft or its Affiliates

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(e) AOL acknowledges and agrees that Microsoft may, notwithstanding anything to the contrary in Sections 3.1(a)-(c): (i) authorize OEM distributors of Active Desktop to include one or more additional Pre-configured Channels in copies of Active Desktop which they distribute, and to place their Channel Icon in a top directory position within Active Desktop (provided that the AOL Channel shall still remain above the fold); and (ii) authorize IAPs and IEAK licensees (but not OEM distributions by an OEM even if, separately, such OEM is an IEAK licensee) to distribute copies of Active Desktop from which such IAPs or IEAK licensees have deleted the Pre-configured Channels of some or all other Pre-Configured ICPs. AOL further acknowledges and agrees that Active Desktop users and IEAK users (other than OEM distributions by an OEM) will be able to re-configure Channels for End User customers, themselves and for others in their organization, including scheduling when Content is downloaded from the Channel, and adding, moving and/or deleting Channels and Channel Icons

(f) Microsoft will exercise commercially reasonable efforts to require its OEM licensees to include the AOL Channel Icon in applicable versions of Active Desktop which they distribute, and in no event shall Microsoft authorize an OEM licensee to delete the AOL Channel Icon but not any Microsoft or Microsoft Affiliate Channel Icons from applicable versions of Active Desktop. If OEMs constituting an aggregate of greater than twenty five percent (25%) of the OEM consumer market delete the AOL Channel Icon, then as its sole and exclusive remedy for such circumstance, AOL may terminate this Agreement and the parties shall have no further obligation or liability to each other Neither AOL nor Microsoft will have any liability arising solely as a result of or in connection with a termination pursuant to this paragraph.

(g) Microsoft's intent is that Active Desktop will be presented to the end user upon system setup and/or first use of Internet Explorer. With respect to End Users of Internet Explorer that don't have an IAP installed or specified, Microsoft shall configure Internet Explorer so that the End User will not be asked to make a choice as to an IAP until the End User initiates an action that requires such connection.

3.2 Set-up and Installation Requirements Microsoft's obligations under this Section 3 are contingent on AOL's meeting the setup and installation specifications that Microsoft requires for all First Tier ICPs, as further described in Exhibit C.

3.3 Microsoft Promotion of AOL Content. Microsoft agrees during the Term to promote the AOL Channel in conjunction with Active Desktop within the Territory, including in all cases where all other First Tier ICPs are promoted. Further, Microsoft shall not "discriminate" against AOL with respect to such promotions.

3.4 Channel Guide During the Term, Microsoft shall list the AOL Channel plus additional "Gold" channels (in the number and character as specified in Exhibit D) selected by AOL (and approved by Microsoft, such approval not to be unreasonably withheld) in the US English language versions of the Channel Guide Server The AOL Channels shall be promoted and listed in a manner comparable to First Tier ICPs (for the AOL Channel) and to "Gold" level Channels (Channels for which Microsoft has executed a Channel agreement) for the other AOL "Gold" Channels in the Channel Guide Server. The AOL Channels shall be included in the worldwide database of Channels maintained on the Channel Guide Server. Microsoft shall in its sole discretion determine the placement of Channels on the Channel Guide and the Channel Guide Server. Microsoft also has another tier of Channels for the Channel Guide ("non-Gold Channels"). Gold Channels are promoted and listed in a manner more favorable than non-Gold Channels

3 5 "Lite" Configuration Microsoft shall use reasonable commercial efforts to investigate the creation of a "Lite" configuration of version 4 0 of Internet Explorer Such investigation shall be completed

by 12/31/97. Microsoft will implement a Lite configuration of Internet Explorer if it is reasonably feasible in Microsoft's sole discretion.

3.6 Nonsolicitation. Microsoft will not use AOL cConfidential iInformation to solicit AOL subscribers to a service competitive with AOL, including without limitation MSN.

4. JOINT OBLIGATIONS

4.1 Announcement. The parties shall issue a joint press release announcing and describing the general terms of this Agreement. The precise content and timing of such press release shall be mutually agreed upon by the parties.

4.2 Marketing Coordination. Each party shall appoint a representative (with the title of director or above) to coordinate marketing plans, advertising guidelines, and other promotional messages to be used by the respective parties in their promotions of one another. Each party shall use reasonable commercial efforts to confirm any substantive changes in such plans and messages with the other party prior to executing marketing or advertising promotions with any such changed messages or plans.

4.3 Support. Each party shall provide all end user support for the products and services that it operates or distributes in connection with this Agreement.

4.4 Internet Referral Microsoft and AOL will negotiate in good faith to complete discussions regarding the Internet Sign-up Wizard Referral Agreement.

5. RIGHTS AND LICENSES

5.1 Intellectual Property License to Microsoft. AOL hereby grants to Microsoft, under all AOL Intellectual Property, a nonexclusive, irrevocable, perpetual, royalty-free, fully paid up, worldwide right and license to reproduce, license, rent, lease or otherwise distribute, and have reproduced, licensed, rented, leased or otherwise distributed, to and by third parties solely in conjunction with or as part of Active Desktop, the Licensed Materials on the Platforms.

5.2 Internet Explorer. AOL is licensed to use, customize, incorporate and distribute Internet Explorer under the terms of the OLS Agreement. Under the terms of the OLS Agreement, AOL may additionally use the IEAK (and other software and technology licensed under the OLS Agreement) to configure a version of IE to be distributed solely in conjunction with the AOL Access Software in which all Pre-Configured Channel Icons supplied by Microsoft are removed and replaced by Channel Icons and/or associated introductory Content of AOL's choice.

5.3 Patent Issues. If AOL (a) sues or (b) brings, prosecutes, assists or participates in any judicial, administrative or other proceedings of any kind against Microsoft or its licensees (including without limitation OEM customers and end users) for infringement of any AOL Patents which occurs during the Term on account of the manufacture, use, sale or distribution of technology contained in Internet Explorer, Microsoft may terminate this Agreement as provided in Section 12.2, provided that such termination shall be Microsoft's sole remedy under this Agreement for such an action by AOL, and provided further that AOL shall not be deemed in default of this Agreement as a consequence solely of triggering such termination right. As used herein, "AOL Patents" means any and all patents (other than design patents or the equivalent), or the inventions, ideas or applications therefor, worldwide, whether currently existing, or later developed, applied for, issued prior to the Term, or issuing during the Term, and under which patents (or the inventions, ideas or applications therefor) AOL, or any of its Affiliates, now has, or obtains during the Term, the ability or right to license or grant immunity from suit; and all

extensions, divisionals, continuations, continuations-in-part, re-examinations and reissue patents of such patents, as well as patent applications thereof, to the extent rights attach to such applications.

5.4 Other Rights Reserved. Neither party grants any license in this Agreement under its Intellectual Property or Confidential Information except as expressly provided in Sections 3, 5, 7 or 8.

6. THIS SECTION INTENTIONALLY LEFT BLANK

7. TRADEMARKS

The parties have licensed each other with respect to trademarks in Section 12 of the OLS Agreement. Such rights shall extend to trademarks used in connection with services and products contemplated by this Agreement.

8. CONFIDENTIALITY.

8.1 Nondisclosure. Microsoft and AOL recognized that, in connection with the performance of this Agreement, each of them may disclose to the other its Confidential Information, or each may obtain Confidential Information through performance under this Agreement, including the creation of materials and the development of technology and techniques that are not generally known Except as permitted in connection with the license rights granted hereunder, and except as provided in Section 8.1, the party who obtains any Confidential Information agrees to maintain the confidential status of such Confidential Information and not to use any such Confidential Information for any purpose other than the purpose for which it was originally disclosed to the receiving party, and not to disclose any of such Confidential Information to any third party. Neither AOL nor Microsoft shall disclose the other's Confidential Information to its employees and agents except on a "need-to-know" basis.

8.2 Exception. The parties acknowledge that each may be required by law to disclose Confidential Information to governmental agencies or authorities, and that each shall endeavor to limit disclosure to that purpose. Each party shall immediately give the other party written notice of any anticipated disclosure pursuant to this Section 8.2

8.3 Scope of Obligations. The obligations of confidentiality shall apply to directors officers, employees and representatives of the parties and any other person to whom the parties have delivered copies of, or permitted access to, such Confidential Information in connection with this Agreement, and each party shall require that such disclosees hold such information in confidence by written agreement consistent with the obligations set forth in this Section 8.

8.4 Third-Party Information. Any Confidential Information of a third party disclosed to either AOL or Microsoft shall be treated by AOL or Microsoft, as the case may be, in accordance with the terms under which such third party Confidential Information was disclosed.

8.5 Terms of Agreement. Unless required by law, and except pursuant to Section 8.1 with respect to press releases or to assert its rights hereunder or for disclosures to its own officers, directors, employees and professional advisers on a "need-to-know" basis or to actual or potential private investors or acquiring parties in confidence, each party agrees not to disclose the terms of this Agreement or matters relating thereto without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

8.6 Residuals The parties' obligations of confidentiality under this Agreement shall not be construed to limit either party's right to independently develop or acquire products without use of

the other party's Confidential Information. Further, either party shall be free to use for any purpose the residuals resulting from access to or work with such Confidential Information, provided that such party shall maintain the confidentiality of the Confidential Information as provided herein. The term "residuals" means information in non-tangible form, which may be retained by persons who have had rightful and good faith access to the Confidential Information, including ideas, concepts, know-how or techniques contained therein. Neither party shall have any obligation to limit or restrict the assignment of such persons or to pay royalties for any work resulting from the use of residuals. However, the foregoing shall not be deemed to grant to either party a license under the other party's copyrights or patents.

9. WARRANTIES

9.1 AOL. AOL warrants and covenants that:

(a) It has the full power and all necessary rights to enter into and perform according to the terms of this Agreement;

(b) The Licensed Materials and AOL Content available to End Users during the Term do not, and AOL will ensure that they do not, to the best of AOL's knowledge: (i) contain defamatory or libelous material or material which discloses private or personal matters concerning any person, without such person's consent; (ii) permit to appear or be uploaded any messages, data, images or programs which are, by law, obscene, profane or pornographic; or (iii) permit to appear or be uploaded any messages, data, images or programs that would knowingly violate the property rights of others, including unauthorized copyrighted text, images or programs, trade secrets or other confidential proprietary information, or trademarks or service marks used in an infringing fashion.

The representations and covenants contained in this Section 9.1 are continuous in nature and shall be deemed to have been given by AOL at execution of this Agreement and at each stage of performance hereunder. These representations, warranties, and covenants shall survive termination or expiration of this Agreement.

9.2 Microsoft

(a) Microsoft warrants and covenants that it has the full power to enter into this Agreement and grant the license rights set forth herein.

(b) Microsoft warrants and covenants that Active Desktop and Internet Explorer do not (i) infringe any Third Party copyrights or trade secrets and (ii) to the best of Microsoft's knowledge, infringe any Third Party patents

The representations and covenants contained in this Section 9 2 are continuous in nature and shall be deemed to have been given by Microsoft at execution of this Agreement and at each stage of performance hereunder. These representations, warranties, and covenants shall survive termination or expiration of this Agreement.

10. DISCLAIMER OF FURTHER WARRANTIES

10.1 EXCEPT AS EXPRESSLY WARRANTED IN SECTION 9 1, ALL LICENSED MATERIALS AND AOL CONFIDENTIAL INFORMATION ARE PROVIDED TO MICROSOFT "AS IS" WITHOUT FURTHER WARRANTY OF ANY KIND WITH THE EXCEPTION OF THE EXPRESS WARRANTIES SET FORTH IN SECTION 9.1, AOL DISCLAIMS ALL FURTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE

IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT.

10.2 EXCEPT AS EXPRESSLY WARRANTED IN SECTION 9.2, THE MICROSOFT CONFIDENTIAL INFORMATION ARE PROVIDED TO AOL "AS IS" WITHOUT FURTHER WARRANTY OF ANY KIND. WITH THE EXCEPTION OF THE EXPRESS WARRANTIES SET FORTH IN SECTION 9.2, MICROSOFT DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT.

11. INDEMNITY

11.1 Indemnity by AOL.

(a) AOL shall, at its expense and Microsoft's request, defend any claim or action brought against Microsoft, and Microsoft's Affiliates, directors, officers, employees, OEMs, Licensees, agents and independent contractors, to the extent it is based upon a claim (i) that the Licensed Materials or any AOL Content distributed via IE pursuant to this Agreement infringes or violates any patent, copyright, trademark, trade secret, right of publicity, or other intellectual property, proprietary or contractual right of a third party, or (ii) that, if true, would constitute a breach of a AOL warranty under Section 9.1 (collectively, "AOL Claims"), and AOL will indemnify and hold Microsoft harmless from and against any costs, damages and fees reasonably incurred by Microsoft, including but not limited to fees of attorneys and other professionals, that are attributable to such AOL Claims. Microsoft shall: (i) provide AOL reasonably prompt notice in writing of any such AOL Claims and permit AOL, through counsel chosen by AOL and reasonably acceptable to Microsoft, to answer and defend such AOL Claims; and (ii) provide AOL information, assistance and authority, at AOL's expense, to help AOL to defend such AOL Claims. AOL will not be responsible for any settlement made by Microsoft without AOL's written permission, which permission will not be unreasonably withheld or delayed.

(b) Unless AOL obtains for Microsoft a complete release of all AOL Claims thereunder, AOL may not settle any AOL Claim under this Section 11.1 on Microsoft's behalf without first obtaining Microsoft's written permission, which permission will not be unreasonably withheld or delayed. In the event Microsoft and AOL agree to settle a AOL Claim, AOL agrees not to publicize the settlement without first obtaining Microsoft's written permission, which permission will not be unreasonably withheld or delayed.

(c) AOL's obligations under this Section 11.1 shall be Microsoft's sole and exclusive remedy for breach of the warranties set forth in Section 9.1(b).

11.2 Indemnity by Microsoft.

(a) Microsoft shall, at its expense and AOL's request, defend any claim or action brought against AOL, and AOL's Affiliates, directors, officers, employees, agents and independent contractors, to the extent it is based upon a claim that, if true, would constitute a breach of a Microsoft warranty under Section 9.2(b) (collectively, "Microsoft Claims"), and Microsoft will indemnify and hold AOL harmless from and against any costs, damages and fees reasonably incurred by AOL, including but not limited to fees of attorneys and other professionals, that are attributable to such Microsoft Claims. AOL shall: (i) provide Microsoft reasonably prompt notice in writing of any such Microsoft Claims and permit Microsoft, through counsel chosen by Microsoft and reasonably acceptable to AOL, to answer and defend such Microsoft Claims, and (ii) provide Microsoft information, assistance

and authority, at Microsoft's expense, to help Microsoft to defend such Microsoft Claims. Microsoft will not be responsible for any settlement made by AOL without Microsoft's written permission, which permission will not be unreasonably withheld or delayed.

(b) Unless Microsoft obtains for AOL a complete release of all Microsoft Claims thereunder Microsoft may not settle any Microsoft Claim under this Section 11.2 on AOL's behalf without first obtaining AOL's written permission, which permission will not be unreasonably withheld or delayed. In the event AOL and Microsoft agree to settle a Microsoft Claim, Microsoft agrees not to publicize the settlement without first obtaining AOL's written permission, which permission will not be unreasonably withheld or delayed.

(c) Microsoft's obligations under this Section 11.2 shall be AOL's sole and exclusive remedy for breach of the warranties set forth in Section 9.2(b).

12. TERMINATION

12.1 Term. This Agreement shall commence upon the Effective Date and continue in full force and effect until the earlier of (i) termination for cause as set forth in Section 12.2, or (ii) expiration of the Term (as such Term may be extended). The Term of this Agreement may be extended for a period of six (6) months as set forth in Exhibit D.

12.2 Termination/Suspension of Performance

(a) Removal of AOL Channel(s). In addition to any other remedies under this Agreement, including termination under Section 12.2(b), should (i) AOL fail to perform as set forth in Section 2.6 or (ii) AOL be in material breach of any warranty, term or covenant of Section 9.1(b), Microsoft may remove the applicable AOL Channel(s) from the Active Desktop so long as such failure or breach continues. If, after fifteen (15) business days notice by Microsoft to AOL of failure under Section 2.6 or breach of Section 9.1(c) such failure continues or such breach is not cured, Microsoft may remove the AOL Channel from the Active Desktop and/or remove AOL Channels from the Channel Guide either (i) temporarily until such failure is rectified to Microsoft's reasonable satisfaction, or (ii) permanently (where "permanently" shall be deemed to include any removal that lasts for longer than thirty (30) consecutive total days), in which case AOL may terminate this Agreement.

(b) Either party may suspend performance and/or terminate this Agreement immediately upon written notice at any time if: (i) the other party is in material breach of any material warranty, term, condition or covenant of this Agreement, other than those contained in Section 8, and has failed to cure that breach within sixty (60) days after written notice thereof; or (ii) the other party is in material breach of Section 8.

12.3 Effect of Termination. Neither party shall be liable to the other for damages of any sort resulting solely from terminating this Agreement in accordance with its terms.

12.4 Return of Confidential Information. Within thirty (30) calendar days after termination of this Agreement, each party hereunder shall either deliver to the other, or destroy, all copies of any Confidential Information provided hereunder in its possession or under its control, and shall, upon request of the other party, furnish to the other party an affidavit signed by an officer of its company certifying that to the best of its knowledge, such delivery or destruction has been fully effected.

12.5 Survival. In the event of termination or expiration of this Agreement for any reason, Microsoft's license rights under Section 5.1 shall survive termination AOL's rights to distribute Internet Explorer under the OLS Agreement shall not be affected by termination of this Agreement.

Sections 4.3, 5.4, 7, 8, 9, 10, 11, 12.3, 12.4 and 12.5, 13 and 14 of this Agreement shall survive any termination or expiration of this Agreement. Termination of this Agreement shall not affect the OLS Agreement.

13. LIMITATION OF LIABILITIES

IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR OTHER RELATED OR SIMILAR DAMAGES (BUT NOT INCLUDING DIRECT DAMAGES) WHATSOEVER, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE FOR A BREACH OF THIS AGREEMENT, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES THIS SECTION SHALL HAVE NO APPLICATION TO SECTION 8

14. GENERAL PROVISIONS

14 1 Notices All notices and requests in connection with this Agreement shall be deemed given as of the day they are received by the party to whom they are addressed, either by messenger, delivery service, or in the United States of America mails, postage prepaid, certified or registered, return receipt requested, and addressed as indicated below or to such other address as a party may designate pursuant to this notice provision:

To AOL:	To Microsoft:
America Online, Inc. 22000 AOL Way Dulles, Virginia 20166 Attention: David M. Colburn	Microsoft Corporation One Microsoft Way Redmond, WA 98052-6399 Attention: Director of Business Development, Internet Division
Phone: (703) 625-2365 Fax: (703)	Phone: (425) 882-8080 Fax: (425) 936-7329
Copy to: America Online, Inc. 22000 AOL Way Dulles, VA 20166 Attention: General Counsel	Copy to: Microsoft Corporation One Microsoft Way Redmond, WA 98052-6399 Attention: Law & Corporate Affairs
Fax:	Fax: (425) 936-7409

or to such other address as a party may designate pursuant to this notice provision.

14 2 Independent Parties; Limitation on Obligations. Nothing in this Agreement shall be construed as creating an employer-employee or agency relationship, a partnership, or a joint venture between the parties. AOL shall have no authority to bind Microsoft whatsoever, and Microsoft shall have no authority to bind AOL whatsoever. Neither party shall have any obligations of any kind to the other party except for those obligations expressly set forth in this Agreement. Without limiting the foregoing, neither party has any marketing, promotional or distribution obligations, or any limitations on their business or activities, other than those expressly set forth in this Agreement, and neither party makes any representations or warranties to the other with respect to the level of commercial success or revenues which may be achieved as a result of any of the activities undertaken pursuant to this Agreement. It is intended that all aspects of this relationship be non-exclusive and non-restrictive on the activities of the parties except as may expressly set forth in this Agreement

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14.3 Governing Law This Agreement shall be governed by the laws of the State of California. Should AOL bring a cause of action arising out of or related to this Agreement, AOL may only file its action in the state and/or federal courts sitting in the State of Washington. Should Microsoft bring a cause of action arising out of or related to this Agreement, Microsoft may only file its action in the state and/or federal courts sitting in the Commonwealth of Virginia.

14.4 Attorneys' Fees. In any action or suit to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees, up to and through any appeal

14 5 Assignment This Agreement shall be binding upon and inure to the benefit of each party's respective successors and lawful assigns; provided, however, that neither party may assign this Agreement, in whole or in part, without the prior written approval of the other party, which approval won't be unreasonably withheld or delayed. For purposes of this Agreement, a merger, consolidation, or other corporate reorganization, or a transfer or sale of any or all of a party's stock, or of all or substantially all of its assets shall be deemed to be an assignment.

14.6 Construction If for any reason a court of competent jurisdiction finds any provision of this Agreement, or portion thereof, to be unenforceable, that provision of the Agreement will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect. Failure by either party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement of that or any other provision This Agreement has been negotiated by the parties and their respective counsel and will be interpreted fairly in accordance with its terms and without any strict construction in favor of or against either party.

14.7 Entire Agreement This Agreement does not constitute an offer by Microsoft and it shall not be effective until signed by both parties This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and merges all prior and contemporaneous communications; provided, however, that this Agreement does not affect or amend the OLS Agreement. It shall not be modified except by a written agreement subsequent to the date of this Agreement and signed on behalf of AOL and Microsoft by their respective duly authorized representatives

14.8 Construction With OLS Agreement. This Agreement does not affect, change or otherwise alter the parties' obligations or rights, in whole or in part, under the OLS Agreement. It is intended that the parties retain all of their rights and remedies under the OLS Agreement without limitation and all such rights are expressly reserved. It is not intended that a default under the OLS Agreement constitute a default under this Agreement or vice versa. The OLS Agreement shall remain in full force and effect.

14.9 Costs; Captions Except as expressly provided herein to the contrary, each party shall be responsible for its costs and expenses incurred in connection with the negotiation and execution of this Agreement and its performance hereunder. The captions and section and paragraph headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date written above.

MICROSOFT CORPORATION

By (Sign)

BRAD CHASE
Name (Print)

VICE PRESIDENT
Title

9-16-97
Date

AMERICA ONLINE, INC.

By (Sign)

David M. Colburn
Name (Print)

Sr. Vice President
Title

9-16-97
Date

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EXHIBIT A

ACTIVE PLATFORM SUPPORT REQUIREMENTS AND
AOL CHANNEL DESCRIPTION

AOL will follow the guidelines below, although specific design and content issues are at the discretion of AOL. In addition, in no event shall AOL be obligated to comply with any requirement hereunder to the extent that Microsoft does not impose such requirement on every other First Tier ICP, including MSN, and AOL shall have no less favorable rights as to each requirement among all First Tier ICPs (including MSN).

Channel Requirements

1) Support for IE presentation
    - AOL Logo to fit on Channel bar button
    - Full screen view (theatrical view)
2) Support for screen saver functions
3) Create a CDF (Channel Definition Format file) to categorize content for download and offline readingThe CDF can have no more than 8 first level items, when the user first connects to the channel.
4) Update CDF and support notification for new Content
5) Optimize the Channel for download:
    - Author content to meet reasonable download size guidelines
    - Go beyond that limit only after notifying user
    - Offer personalization to select relevant content within a reasonable period of time after launch
6) Content must be updated 5 times a week
7) A Channel must support at least 3 of the following 5 capabilities supported by Dynamic HTML on the top page of the channel, and at least 1 of the 5 following capabilities on at least 50% of the remaining pages in the channel; provided that nothing herein shall require AOL to provide any capabilities that may in its reasonable judgment make it uncompetitive at dial-up:
    - Dynamic Content

      Ability to change elements on HTML page on the fly based on user interaction, without round trip to the server. This allows for better user interactivity, with faster performance.
    - 2D Positioning

      This capability allows site authors to easily and accurately position elements on a page without being forced to resort to ActiveX controls, Java applets, or games with tables. Dynamic HTML supports X,Y and Z plane positioning. Combined with multimedia/animation effects, this capability can dramatically improve the look of your site.
    - Multimedia Effects – Filters, Transitions, Animations, Alpha Channel, etc

      Dynamic HTML also includes a set of high performance multimedia effects that interact with the HTML page.
    - Data Awareness

      The ability to link data from a database and dynamically update your HTML page based on changes in the database automatically. Also, this capability allows for the user to interact with the data without roundtrips to the server.
    - Dynamic HTML Object Model

      This is not a new tag, but a way to control existing HTML tags. For example, existing elements such as <img> tag, will receive a click event if the user clicks on the picture.

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Support for the following 3 technologies within the Channel within a reasonable time period after launch:

- HTML Mail
  Specify a page for email notification in the CDF
- "Desktop Components"
  Create at least 1 "Desktop Component" that will be updated at least 5 times per week
- Ratings -- Ratings are a mechanism to inform users of the appropriateness of web site content. Support for ratings is a simple process of going to the official ratings site (www reac.org) and registering the web site.

8) Deliver Streamlining Multimedia content, if any, in the ASF (Netshow) format or in AOL's Johnson-Grace ART technology as contained in IE4.

9) AOL shall not include any technology in the Licensed Materials which would bypass or disable the capabilities for centralized Channel administration offered by the IEAK. The intent is to provide effective central administration such that MIS departments not disable Channel by default with the IEAK. *See note below regarding this requirement.*

10) Introductory Content must (and downloaded content should) optimize for performant operation in standard system configurations as follows:

- Use standard system services wherever possible (channel installation, cache management, data transfer, web event logging, channel selection, screen saver). Any duplication must be noted and approved in advance of submission of Introductory Content to Microsoft.

- Do not instantiate any processes that increase the static working set (e.g. static memory requirements) or that run when AOL's Channel is not visible on screen via the Browser or the Active Desktop screen saver.
- *See note below regarding this requirement.*

Note regarding requirements 9 and 10 above

Content will automatically meet these provisions if it is "pushed" via standard IE4 system services and does not require installation of custom Active X controls and/or add-on client software. If content does require separate software to be used or displayed, it must be verified to meet requirements 9 and 10

Existing Web Site Requirements

On the home page of the AOL Web Site and on at least 15 mutually agreed upon (such agreement to be based upon whether the page(s) are among AOL's most trafficked pages) AOL Web Site pages, AOL shall support the following.

1) Logo as "Best viewed with IE 4" or other equivalent as may be agreed by the parties (such logo button being the equivalent of the download button in Section 8.5 of the OLS Agreement)
2) Create a CDF to categorize content for download and offline reading
3) Update CDF and support notification for new Content

AOL Channel Description

The AOL Channel shall include Content which (i) is generally relevant and/or interesting to Internet End Users (who may or may not be subscribers to an AOL Service), (ii) shall have the primary purpose of

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conveying timely information to End Users, (iii) shall not have the primary purpose of promoting the availability of subscription AOL Content to End Users, and (iv) shall be similar to the following:

The AOL Preview Channel will be programmed on a daily basis with Content drawn from several AOL sources. The channel will provide users with a source of exclusive AOL features, top news, and special programming.

Sources of Content for the AOL Preview Channel include:
* Scheduled live events and special coverage. Examples include hosted celebrity chats, live radio events, special areas (*e.g.*, the Diana funeral), *etc.*
* Top headline news and sports coverage from AOL partners.
* Promotion for special deals on merchandise through AOL commerce partners.
* Regular features from AOL-exclusive providers.

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EXHIBIT B

PROMOTION; UNIQUE CONTENT

(1) AOL shall use commercially reasonable efforts to implement appropriate components of Microsoft Internet Mail Client 4.0 for Win32 ("Outlook Express" or "OE"), DHTML and related technology (such implementation to be limited to DLLs, and AOL shall have no obligation to use the OE user interface). Development will begin by October 1, 1997. AOL will use reasonable commercial efforts to complete such development and beta testing by the dates set forth in Exhibit D, part D provided that Microsoft provides the beta of OE to AOL by November 30, 1997, and the final release of OE by January 31, 1998 Following successful completion of the beta test, AOL shall implement such technology for the AOL Service as indicated in Exhibit D, part D, and AOL shall make a public announcement regarding its plans to offer email services based upon Microsoft's OE components at a mutually agreeable date after completing a detailed project plan, but in no event later than January 1, 1998. AOL will design the transport component of its implementation so that such transport can be used by standalone versions of Outlook Express (OE), provided that OE supports and facilitates cross-process access to the transport component. AOL will use reasonable efforts to complete the foregoing obligations for OE components on Win16 and Macintosh on or before the later of, for each of Win16 and Macintosh, (i) eight (8) months of Microsoft's delivery to AOL of a beta version of the OE components for such platform(s) and (ii) five (5) months from Microsoft's delivery to AOL of a final version of the OE components

AOL shall make necessary server modifications in sufficient time to support email functions specified in this Exhibit B and in Exhibit D

AOL's obligations shall be subject to the following conditions and obligations, which AOL may waive at its discretion.

- Microsoft shall provide AOL with all technology that may be necessary for AOL to create its own user interface in a manner reasonably acceptable to AOL.

- Once such technology is implemented, AOL shall have the right to terminate such implementation at any time in its discretion after the Term.

- Microsoft shall license versions of such technology released during the Term to AOL for all such purposes on a royalty-free, worldwide, non-exclusive basis in perpetuity All Upgrades to such technology made by Microsoft through the Term of the OLS Agreement shall be promptly provided to AOL as specified in such OLS Agreement. Following the Term of such OLS Agreement, AOL shall have the right to extend such license rights under the same terms and conditions set forth in Section 15.10 of the OLS Agreement.

- AOL shall be entitled to betas, support and assistance as to such technology and Upgrades as set forth in the OLS Agreement with respect to Internet Explorer, and performance by Microsoft of such obligations shall be a material obligation of Microsoft hereunder.

- It shall be a condition to AOL's obligation that OE be available in final, fully tested format for Win32 and Win 16 by no later than 1/31/98 The components to be delivered are OE's MIME parsing engine, DHTML/MHTML engine for integrating with IE4 rendering/viewing engine and whatever other Microsoft components are reasonably required for AOL to complete its development.

- AOL shall have the right to implement other e-mail technology on Macintosh.

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- AOL may refuse to ship OE technology if all cross-platform requirements have not been satisfied (see below)

- AOL will need the following development support:
  - API specifications
  - Access to source code
  - Access to "debug" versions of OE components
  - If necessary, allow for AOL developers to work on-site at Microsoft to the completion of the project or send Microsoft developers to AOL, as mutually agreed to by the parties. Each party will devote necessary resources, including personnel, to complete development. The parties shall, within forty-five (45) days of the Effective Date, establish development/manpower requirement plan.

- If Microsoft offers a standalone version of OE for use with AOL's client software, (i) Microsoft will include the ability for AOL end users to "unsend" email messages and (ii) such standalone version of OE will access the AOL email transport through the AOL client (provided that, if AOL adopts standards-based email transports, such as POP3/SMTP, Microsoft software may access such transports without going through the AOL client) if AOL allows others to do the same.

- Need ability to use AOL's custom information store

- OE's setup program must have a completely silent mode that presents no dialogs or messages and returns a meaningful exit code to the operating system.

- The setup procedure for OE will not require a system reboot except where a system reboot is required by IE4 or where a system reboot is required because one of the DLLs being installed is already in use.

- OE must be embeddable as a UI-free engine.

- OE must eventually support table editing in composition mode

Cross-Platform Requirements (per platform)

- Installation does not harm other software installations

- Download/disk size (compressed without IE4) is under 2MB

- Working set is under 4MB and does not degrade appreciably with large mailboxes if OE mail store is used.~ Test: Load AOL client with IE4, measure virtual memory usage. Then load embedded OE in addition and measure virtual memory usage and take the difference.

- Full feature set compared to Win32 platform

- Access to OE bugs database

2. AOL shall have the right to commence a pilot program to consider implementation of NT IIS and FrontPage to let subscribers host Front Page extensions, on NT IIS. The pilot program is expected to commence in November 1997, to utilize approximately 2000 users and to be completed within 4 months after commencement. If AOL considers such test successful in its sole and absolute discretion, AOL will consider implementing such technologies on a reasonable schedule shortly after completion of its evaluation Microsoft shall license to AOL all Microsoft technology reasonably required for this pilot test program and provide reasonably requested technical assistance, support and

tools. Implementation of this program will be subject to negotiation of acceptable licenses from Microsoft.

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EXHIBIT C

SET UP & INSTALLATION

The following materials should be provided to Microsoft prior to the final release of Internet Explorer 4.0. Exact dates will be provided to AOL at least 10 days prior to the first deadline. These requirements are subject to change prior to the final release of Internet Explorer 4.0.

A) Images

Branded Logo

Size: 150 x 32 (wxh) pixels
Pallette: Windows half-tone pallette, 256-colors
Format: GIF
Important Notes:

- The Channel Bar will display the exact 150x32 logo that provided by the AOL. Therefore, the publisher's brand name will appear only if it is included in the bitmap itself.
- Users can adjust the width of the Channel Pane beyond 150 pixels. When this happens, the Channel Bar fills in the background with the same color as the top left pixel in the bitmap.

Large Icon

Size: 32x32 pixels
Palette Windows 16 color halftone palette, 16 color
Format: ICO format

B) URL for Introduction/Setup Page (see below)

The URL for the channel introduction Web page to be included in the channel package with the logos.

C) Channel Name

AOL should include a "friendly" name that the Desktop Channel Bar will use in the icon views and the Windows name space. This name must match the name of the actual channel.

Deliverables Mounted on Publisher's Server

A) Channel Introduction / Setup Page

Description: AOL must have one Web page mounted on a externally accessible server that introduces the Channel. This is the Channel Introduction/Setup Page to which users are taken to when they click on the publisher's icon in the default Channel Bar or subscribing from a Web page.

URL: As specified in the deliverables above.
Size: The page should be designed to look good at all standard PC screen resolutions: 640x480, 800x600, and 1024x768. The page should be optimized for a width of 640 pixels
Content: The page must include:

- a description or preview of the channel's content once subscribed
- a Subscribe button which links to the channel's CDF so the user can begin the setup process (see SDK for details). Graphic for Subscribe Button is TBD.

This Introduction Page can refer to additional pages which more full describe the channel's offerings, ask for demographic information from the user, or offer personalization. Each supplemental page, however, must link back to the standard Introductory Page, from which users can subscribe to the channel

B) Channel Definition Format File

The CDF must be prepared as described in the SDK.

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C) Channel Home Page

The Channel described by the CDF should have at least one page, the Channel's Home Page, mounted on an externally accessible server

Operational Channel Site Mounted on Publisher's Server

The Microsoft Internet Explorer testing group will verify that it is possible to subscribe to the Channel, and that the Channel's Introduction Page and Channel Home Page are viewable in IE4.0. This means all content for all URLs referenced in the channel's CDF should be available on an externally accessible server. This includes.

(a) Pages to be displayed in Full Screen View
(b) Pages to be displayed in the Internet Explorer Screen Saver
(c) Pages to be displayed within Desktop Components on the Active Desktop.

At this time, content must conform to the standards established in Exhibit A

Pre-Cached Web Pages

AOL agrees that the Pre-cached Web Site will adhere to the following criteria:

(a) All cached pages and links to other cached pages must use Short File Names (8 3)
(b) All Links must be functional (i.e no broken links)
(c) No external HTTP links, but if there are external links to the pre-cached pages, they must be blocked out with a message saying "You can only access this site if you are actually connected to the Internet - this is a demo only. ."
(d) No CGI Scripting
(e) No Server-side Scripting
(f) No Server-side Image Maps
(g) Should not exceed a resolution greater than 800x600

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EXHIBIT D

PROMOTIONS, AOL PROGRAMS TO UPGRADE AOL USERS TO IE3 AND IE4

A. BRAND PROMOTION

1. TV Brand Promo: Whenever the browser chrome is displayed in AOL brand TV screen shots during the Term, the Internet Explorer "e" brand shall be shown in a mutually agreeable form such that it is easily recognizable on TV.

2. Tag Print Ads: A majority of AOL print advertising which exceeds 1/3 page in size will include "Microsoft Internet Explorer" in body copy (if there is any body copy) and include an IE logo to indicate that AOL features Internet Explorer. All ads which show browser chrome will include the Internet Explorer "e" brand in the browser chrome. This obligation shall extend throughout the Term.

3. Radio Promotions: A majority of AOL "Contest/Giveaway" radio spots meeting some reasonable criteria (length > 20 seconds) shall mention "Microsoft Internet Explorer" At AOL's request, Microsoft will provide, at no cost to AOL, Microsoft software for up to 25% of Contests/Giveaways shall include Microsoft software (mutually agreeable SKU or premium provided by Microsoft). This obligation shall extend throughout the Term.

B. NEW IE4 MARKETING PROMOTION

1. IE4 for New AOL Users: Subject to IE4.0 satisfying, in AOL's sole discretion, AOL's reasonable quality assurance requirements for integration of a browser within the AOL service ("QA Requirements"), AOL shall commence distribution of AOL3 and IE4 for Win32 within sixty (60) days following Microsoft's release to AOL, including necessary SDKs to integrate ("RTA") of IE4.0 for Win32, which is targeted for 9/15/97. Subject to IE4.0 satisfying AOL's QA Requirements, AOL shall integrate point releases into its CD-ROM manufacturing process within sixty (60) days following Microsoft's delivery to AOL of such releases. Subject to IE4.0 satisfying AOL's QA Requirements, AOL shall phase Win16/Mac IE4 into AOL3 CD-ROM distributions within ninety (90) days of Microsoft's RTA of such browsers. Distribution of CD-ROMs containing Win32/IE4 shall be at least 3MM units per month, or 85% of AOL CDROM distributions on average, whichever is less, until March 1, 1998. Provided that Microsoft RTA of IE4.0 has occurred by September 30, 1997, 100% of AOL CD-ROMs shall include IE4 (with either AOL3 or AOL4) by March 1, 1998 (For each day that Microsoft RTA of IE4.0 slips past September 30, 1997, the foregoing March 1, 1998 date shall be extended by one (1) day). The preceding two sentences shall not apply: (i) where the AOL client is bundled with non-AOL client software (*e.g.*, the AOL Client is bundled with CD-ROM games) provided that no other browser is integrated by AOL into the AOL client software for distribution with such non-AOL client software; and (ii) with respect to then current CD-ROM inventory of AOL client software which may be depleted by AOL in the six (6) week period following RTA.

2. Win/32 IE4 for Current AOL users: Subject to (i) RTA of IE4.0 by September 30, 1997 and (ii) IE4.0 satisfying AOL's QA Requirements, by no later than March 1, 1998, AOL shall commence distribution of AOL4/IE4 to at least 3MM then-current AOL users. For each day that Microsoft RTA of IE4.0 slips past September 30, 1997, the foregoing March 1, 1998 date shall be postponed by one (1) day.

3. Win16 and Mac for Current AOL users: Subject to IE4 0 satisfying AOL's QA Requirements, AOL shall, within ninety (90) days of Microsoft RTA of such browsers, integrate Win16 and Mac IE4 with Win16 and Mac AOL 4, respectively.

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4 Gold Channels: AOL will initially be provided with promotional space for three (3) Gold Channels, comprised of Content produced by or for AOL, in the Channel Guide Server based upon its commitments as set forth in Item B 3. If, by September 30, 1997, AOL commits to deliver 4MM CD-ROMs as set forth in item B 2, AOL will be provided with promotional space for four (4) such Gold Channels in the Channel Guide Server. If, by September 30, 1997, AOL commits to deliver 6MM CD-ROMs as set forth in item B 2, AOL will be provided with promotional space for five (5) such Gold Channels in the Channel Guide Server.

With respect to items, B.1, B.2 and B 3, above, if (i) AOL does not meet its shipment obligations due to AOL's rejection of Internet Explorer (on a specific Platform) for quality reasons, (ii) Microsoft is making the version(s) of product rejected by AOL available to Microsoft's own end user customers (via Web download and/or CD-ROM shipment), and (iii) a reasonable number, as determined by Microsoft, of Microsoft's ISP distribution partners, which, counting all such ISPs in the aggregate, have a paying customer base of over two million customers (and which do not include MSN) are making such AOL-rejected software available to such partners' end users (via Web download or CD-ROM shipment), then Microsoft may as its sole and exclusive remedy for such a circumstance terminate this Agreement pursuant to Section 12 2(b) (provided that Microsoft need not give AOL time to cure as specified in Section 12 2(b) and that neither AOL nor Microsoft will have any liability arising solely as a result of or in connection with a termination pursuant to this paragraph)

C. AMENDMENTS TO PROMOTIONAL AGREEMENT

1. Under the Microsoft/AOL Promotional Agreement, as amended by the Amendment dated 3/31/97 and attached to this Exhibit D as Attachment 1 ("Microsoft/AOL Promo Agreement/Amendment"), item 3a (Logo in browser chrome) is extended for the Term of this Agreement.

2. Microsoft/AOL Promo Agreement/Amendment item 3b (pack-ins to include IE on CD-ROM) is extended for the Term of this Agreement

3. Microsoft/AOL Promo Agreement/Amendment item 3c (IE branding on client CD-ROMs) is extended for the Term of this Agreement; modified to be included on 85% of client CDs produced after the Effective Date and to be included on the exterior of approximately 80% of packages produced after the Effective Date

4. Microsoft/AOL Promo Agreement/Amendment item 3d (Casablanca branding) is extended for the Term of this Agreement.

5 Microsoft/AOL Promo Agreement/Amendment item 4 to be replaced with the following: Commencing at AOL3/IE4 availability and continuing until 3MM AOL users are upgraded to IE4, AOL shall use its customary online promotional methods to promote to non-IE4 users the availability of IE4 for download (to account for roughly 1/3 of such promotions) and the availability of a CDROM (which may be charged for by AOL at a reasonable price) containing AOL and possibly third party software and IE4 (to account for roughly 2/3 of such promotions).

6. Microsoft/AOL Promo Agreement/Amendment item 5 (use of unsold ad inventory) is hereby modified with an extended period of use (but no increase in amount of inventory) until ninety (90) days following AOL release of IE4 based client (target 12/1/97).

7. Various verbal and contractual agreements on web site traffic and browser share reporting shall be consolidated to mutual agreement

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8. Despite anything to the contrary contained herein, the above extensions to the promotional Agreement shall not be extended beyond October 1, 1998, or, if this Agreement is extended pursuant to paragraph D.3 of this Exhibit D, April 1, 1999.

D. MICROSOFT OBLIGATIONS

1. Secure 1 Gold Channel in the Channel Guide Server for qualifying AOL content properties in Canada, France, UK, and Japan under the local customary terms and conditions, including, but not limited to local contractual requirements and local requirements for IE shipments / promotion, including rapid deployment of IE4 in those markets. The preceding sentence will not prohibit AOL and the local Microsoft Affiliates from agreeing to additional Gold Channels. Microsoft and AOL will use reasonable commercial efforts to develop a single contract that encompasses promotion of AOL's international Gold channels.

2. Provide an AOL First Tier ICP channel listing plus the number of AOL selected Gold Channels set forth in item B.4, above, in the US Channel Guide Server for the Term of this Agreement.

3. Microsoft may modify certain obligations if AOL does not meet following performance goals

	% of AOL IE3 users upgraded to IE4	IE Share of Active AOL Users	HTML Mail Client
A. April 30, 1998	(Note 1)	70% (Note 4)	Available – view only (Note 2)
B. June 30, 1998	Note 1	80% (Note 4)	Available – view/compose (Note 3) Two million users shall be using AOL Client software that provides at least view-only (as defined in Note 2) HTML mail capabilities

Target A missed: The Term of Agreement may not be extended by AOL for the six (6) month option period described below. Microsoft may either, at AOL's option, (i) remove three (3) AOL gold channels from Channel Guide, or (ii) require AOL to implement a mutually agreeable promotion program to drive faster upgrades of IE4.

Target B missed. The Term of this Agreement may not be extended by AOL for the six (6) month option period described below. Microsoft removes all AOL Gold Channels from US Channel Guide Server.

If targets A & B are <u>met</u>: AOL may, at its option, extend the Term of this Agreement for an additional six (6) months

Target dates shall be pushed out one day for each day that Microsoft delays Win32 IE4 RTA beyond 9/30/97 and Mac/Win31 IE4 beyond 1/31/98 The rights set forth above shall be Microsoft's sole and exclusive remedies for AOL's failure to meet the specific performance requirements set forth above, although not with respect to any other breach of AOL's obligations under this Agreement which occurs either before or after AOL fails to meet such a specific performance requirement, regardless of any relationship between such a breach and the performance failure hereunder. Neither AOL nor Microsoft will have any liability arising solely as a result of or in connection with Microsoft's exercise of any remedy pursuant to this paragraph

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Note 1: AOL shall attain IE3 to IE4 upgrades in an amount equal to the lesser of (i) 75% of AOL "Qualified Users" (Win32 Internet users who are consumers and who have previously installed IE3, excluding those with 8MB 486, or less powerful systems), and (ii) no less than 3% less than the upgrade percentage of IE3 to IE4 upgrades among AOL's "Qualified Users" as Microsoft attains with among Microsoft Internet Explorer Qualified Users (excluding AOL customers). For purposes of this Exhibit D, such upgrade percentage shall be based upon Microsoft's periodic Web end-user survey solely as applicable to Qualified Users, which shall (a) include a statistically significant number of Qualified Users, and (b) be made available in un-tabulated form to AOL upon request

Note 2: **1. DHTML Read Capability**. Subject to Microsoft complying with its obligations under Exhibit B, by April 30, 1998, AOL will modify its client and server software, and use Microsoft's underlying DHTML viewing components contained in IE4 and the OE component DLLs, to enable AOL users to view, (within a separate window from the AOL email client which may be IE4) any DHTML email authored and sent by Internet users (non-AOL members) using OE or other DHTML authoring tools. AOL shall make such capability available to its end users via download commencing on or before May 1, 1998, and AOL shall slipstream code implementing such capability into its standard CD-ROMs as soon as is practical.

2. DHTML *Read/Compose* Capability. Subject to Microsoft complying with its obligations under Exhibit B, by April 30, 1998, AOL will modify its client and server software to enable AOL users to read and compose email in the standalone version of OE and to send such email with all of the features as if such user were using the standalone version of OE outside of AOL, this would include the ability to send and receive multiple attachments to the email. The API enabling the standalone version of OE to operate with the AOL Client Software shall not be published or made available to third parties for the Term of this Agreement.

Note 3: Subject to Microsoft complying with its obligations under Exhibit B, AOL shall fully implement and integrate read/compose features for DHTML mail using OE components as described in Exhibit B, plus all necessary server-side modifications (completed by AOL) such that AOL members and Internet users can send and receive DHTML mail among themselves. AOL shall make such capability available to users via download commencing on or before June 30, 1998. and AOL shall slipstream code implementing such capability into its standard CD-ROMs as soon as is practical, but in any event no later than July 31, 1998.

Note 4: AOL shall demonstrate that the specified percent of AOL's active users (users with computer systems capable of operating IE3 or IE4 on the Windows Platform or IE2, IE3 or IE4 for the Macintosh) who have connected to AOL in the previous 30 days) are using AOL Client software on any Platform (as defined in the OLS Agreement) which includes Internet Explorer of any version

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ATTACHMENT 1
TO EXHIBIT D

COPY OF MICROSOFT/AOL PROMO AGREEMENT/AMENDMENT

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